



## APPENDIX "A".

## Litigation Chart.

## A DECADE OF LITIGATION (1928-1938).

Year	Title	Citation	Nature of Case
1928	<i>Albert Pick &amp; Co. v. Granada Hotel Corp.</i>	Circuit Ct. of Cook Co.	Foreclosure on chattel mtge. on Granada furniture.
1928	<i>Wendstrand v. Pick &amp; Co.</i>	U. S. District Court	Complaint for injunction to stop sale of furniture. Denied.
1930	<i>Wendstrand v. Pick &amp; Co.</i>	38 F. (2d) 25	Appeal to C. C. A. 7th. Affirmed.
1930	<i>Wendstrand v. Pick &amp; Co.</i>	281 U. S. 768	Petition for Writ of Certiorari denied.
1930	<i>Pick &amp; Co. v. Indemnity Insurance Co. of North America</i>	U. S. Dist. Ct.	Suit on bond in Wendstrand suit, \$60,000 damages demanded.
1930	<i>People v. Granada Hotel Corp.</i>	50985 in Superior Court of Cook Co.	Dissolution of corporation by Atty. General of Illinois.
1930	<i>Thuma v. Granada Apts. Inc.</i>	519151 in Superior Court of Cook Co.	Partial foreclosure. (1928 2d Mtge. Bonds).
1933	<i>Appeal of Pick &amp; Company</i>	269 Ill. App. 484	Determination of whether furniture was part of Real Estate. Held to be personal property.
1935 March	<i>Tuttle v. Harris</i>	U. S. Dist. Ct. No. 59143	Reorganization proceeding against old Granada Hotel Corp. Dismissed on May, 1937 on mandate from Supreme Court.
1935 April	Second Petition for Reorganization	U. S. District Court	Reorganization against Granada Apts. Inc. Dismissed in May, 1937 by Judge Barnes.
1935	<i>Tuttle v. Harris</i>	No. 5488 in C.C.A. (7th)	Appeal on question of whether foreclosure receivership was act of bankruptcy. Held: Yes.
1936	<i>Tuttle v. Harris</i>	297 U. S. 225	Supreme Court held that this was not an act of bankruptcy. Reversed.
1937	<i>Rosenberg v. Granada Apts., Inc.</i>	Mun. Ct. of Chicago No. 2778211	Suit on Bond delinquency. Judgment entered 3-8-37. No. 4630.
1937	<i>Rosenberg v. Granada Apts., Inc.</i>	Cir. Ct. Cook Co. No. 37C3704	Suit for Appointment of receiver. (Creditor's Bill.) Receiver appointed 4-14-37.
1937	<i>In re Granada Apartments, Inc., Debtor.</i>	U. S. Dist. Ct., Danville, Ill.	Involuntary pet'n for reorganization under 77B proceedings. This was consolidated with next action below.
1937	<i>In re Granada Apartments, Inc., Debtor.</i>	U. S. Dist. Ct., Chicago, No. 65811	Voluntary pet'n for reorganization under 77B. (Danville pet'n transferred to Chicago to be heard with this case).

## APPENDIX "B".

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### Former Fiduciaries.

#### CHICAGO TRUST COMPANY

Original "house of issue" of Granada bonds (1924) and co-sponsor with the Cody Trust Company of the (1928) issue. Author of the two prospectuses which represented that furniture was security for bondholders. Trustee under 1924 and 1928 Trust Deeds. Consolidated with Central Trust Company in July of 1931.

#### CODY TRUST COMPANY

Formed in 1928 by the Codys, Riddle and others as a new house of issue. Co-sponsors with the Chicago Trust Company of a new first mortgage (1928) and second mortgage bond issue. Officers of this company were officers of Granada Apartments, Inc. from 1929 to 1934 and as such controlled all policies. Cody Trust Company has been dissolved.

#### CHICAGO TITLE & TRUST CO.

Was appointed nominal receiver of Granada under the Thuma partial foreclosure of June, 1930. Order of appointment provided it could not disturb the (Cody) management in control. This disability was later (Jan. 12, 1934) removed. Relinquished receivership to Central Republic March 22, 1934.

#### CENTRAL TRUST COMPANY

Partner with Chicago Trust Company in the consolidation of July, 1931.

#### CENTRAL REPUBLIC BANK AND TRUST COMPANY

The name assumed by the consolidated company. It became the successor trustee under the 1928 trust deeds.

#### CENTRAL REPUBLIC TRUST CO.

The new name assumed by the Central Republic Bank and Trust Company after that organization eliminated its deposit banking business which was taken over by City National Bank and Trust Co., on October 5, 1932. It became the successor to the Successor Trustee.

**Former Fiduciaries—(Continued).****CITY NATIONAL BANK  
AND TRUST COM-  
PANY OF CHICAGO**

Former Trustee in the Superior Court foreclosure proceedings, and present Granada Depository and Transfer Agent as appointed by the Federal District Court. Was claimant and counter-claim defendant in the court below where charges of mismanagement and preference by City National, were made by the Court Trustee, and is respondent herein.

**THE CORPORATE  
REORGANIZATION  
DIVISION**

A department at the City National Bank and Trust Company, which was a business getting device for that bank. Officers and employees of this department were members of the Granada Bondholders' Protective Committee. By this department 425 corporate reorganizations have been secured for City National.

**GRANADA  
BONDHOLDERS  
PROTECTIVE  
COMMITTEE**

Formed by and including officers of the City National Bank and Trust Company of Chicago, who as members of "the Committee" named City National as Trustee in the state court proceedings.

## APPENDIX "C".

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### Apartment Hotel Corporations.

#### GRANADA HOTEL CORPORATION

Predecessor of the debtor. Incorporated by Fred Mateer in 1924. Signer of bond issues. Dissolved by Attorney General in 1930.

#### GRANADA APARTMENTS, INC.

The debtor herein which filed its petition for 77B proceedings on April 23, 1937. Organized by Cody Trust Co. in 1929 as a hedge against the Pick claim which was not assumed by this new corporation.

#### GRANADA APART- MENTS HOTEL CORPORATION

Successor of the debtor herein.

#### THE GRANADA PROPERTY

A hotel-apartment house located at 525 Arlington Place, Chicago, Illinois. The chief possession of three successive Granada corporations, and several receivers and trustees. Furnished in 1924 with \$120,000 worth of furniture. Owner of central heating, refrigeration, and water plant for other hotel properties.

#### ARLINGTON, INC.

The new corporation which owns the hotel-apartment house located at 530 Arlington place, across the street from Granada; former lessee of services from Granada heating and refrigeration plant. Built in 1924 by Mateer. Reorganized in Circuit Court of Cook County.

#### LINCOLN PARK MANOR HOTEL 500 Fullerton Parkway Corporation

A hotel-apartment house located on Fullerton Avenue across the alley to the rear of Granada, also a Mateer development, former and present lessee of heat, water and refrigeration services from Granada. Built in 1924.

## APPENDIX "D".

**At the Very Time They Were Counsel for Fiduciaries for Granada Bondholders, Defrees, Buckingham, Jones & Hoffman Were Counsel for the Cody Trust Company in These Various Litigations Which Included Liquidation Proceedings.**

This chart shows that this law firm and its members who are counsel for Arlington, Inc., City National Bank & Trust Company of Chicago, the Bondholders' Protective Committee, were also *counsel for the original wrongdoers*, Cody Trust Company.

## CASE NUMBER ONE

*In re Petition of Cody Trust Company*, 266 Ill. App. 141 (1932).  
Counsel for Appellant—Defrees, Buckingham, Jones & Hoffman (Vincent O'Brien and John M. Baker). Opinion filed April 5, 1932.

## CASE NUMBER TWO

*In re Appeal of Cody Trust Company*, 269 Ill. App. 638 (1933).  
Counsel for Appellant—Defrees, Buckingham, Jones & Hoffman (Vincent O'Brien and Thomas R. Mulroy). No appearance for appellees. Affirmed March 6, 1933.

## CASE NUMBER THREE

*Cody Trust Company v. Dittmar*, 272 Ill. App. 167 (1933).  
Counsel for Appellant—Defrees, Buckingham, Jones & Hoffman (Vincent O'Brien and Alfred E. Williston). Opinion filed October 25, 1933.

## CASE NUMBER FOUR

*Cody Trust Company v. Hotel Clayton Co.*, 293 Ill. App. 1 (1937).  
Defrees, Buckingham, Jones & Hoffman (Vincent O'Brien). Opinion filed September 9, 1937.

## CASE NUMBER FIVE

*People v. Cody Trust Company*, 294 Ill. App. 342 (1938).  
Defrees, Buckingham, Jones & Hoffman (Vincent O'Brien and John Merrill Baker). Opinion filed March 16, 1938.

## CASE NUMBER SIX

*People v. Cody Trust Company*, 301 Ill. App. 580 (1939).  
George A. Novack and Defrees, Buckingham, Jones & Hoffman for appellee. Opinion filed October 25, 1939.

This chart includes only those cases which appear in the Illinois Appellate Court reports; and does not include any case which was not so appealed.

SUPPORTING BRIEF.

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## I.

**When the Circuit Court of Appeals Reversed the Findings of the District Court and in Effect Wrote New Findings of Fact, It Denied a Hearing to This Petitioner, in Violation of Due Process of Law, Because the New Findings of Fact Excluded and Ignored Central Facts Which Should Have Been Considered, and Did Not Embrace the Basic Facts at Issue and Shown by the Record, and the Record Was Not Before the Court and Was Not Examined.**

Rule 52 of the Federal Rules of Civil Procedure.  
Section 2 of Article III and Fifth Amendment to  
the Constitution of the United States.

*Morgan v. United States*, 298 U. S. 468 (1936).

*Saunders v. Shaw*, 244 U. S. 317, (1917).

*Postal Telegraph Cable Co. v. City of Newport*,  
247 U. S. 464, 38 S. Ct. 566, (1915).

First, Second, Third and Further Departures from  
Due Process by the Circuit Court of Appeals.

## II.

**When the Circuit Court of Appeals Reversed Findings of Fact of the District Court Which Findings Had Not Been Contested by Respondents in the Court of Appeals, That Court Acted in Violation of Due Process of Law Because That Action Denied This Petitioner Notice and Hearing.**

*Morgan v. United States*, 304 U. S. 1, (1938).

*Lutcher & Moore Lumber Company v. Knight*, 217  
U. S. 257, 30 S. Ct. 505, (1910).

## III.

- (a) **When City National Became the Agent of Arlington Without the Knowledge and Consent of Granada Its Principal, and Undertook by Contract to Bind Granada, Then Under Illinois Law, the Bargain or Act Done in the Name of Granada as Principal is Voidable at Option at Any Time on Discovery by Granada or Its Court Trustee Without a Showing of Injury and Notwithstanding the Good Faith of Either City National or Arlington.**

*Chicago Title & Trust Co. v. Schwartz*, 339 Ill. 184, 171 N. E. 169, (1930).

*Lerk v. McCabe*, 349 Ill. 348, 182 N. E. 388, (1932).

- (b) **Under Illinois Law, City National Is Jointly and Severally Liable With Arlington for All Damages Suffered by Granada, Which Resulted from This Breach by Its Trustee and Agent—City National.**

*Metcalf v. Metcalf*, 286 Ill. App. 10; 2 N. E. (2d) 760, (1936).

## IV.

**The Circuit Court of Appeals Erred in Not Assessing Treble Damages Against City National For the Waste Committed by it on Granada While Acting as Trustee in Possession Because:**

- (A) **The Statute of Gloucester (VI Edward I, Ch. 5) Passed by the English Parliament in 1278 Which So Provides Is a Part of the Common Law of Illinois and of the United States.**

Section 2 of Article III, United States Constitution.



Chapter 28, Illinois Revised Statutes, 1939.

Chapter 45, Section 62, Illinois Revised Statutes, 1939.

2 Whitehead "Real Property in Illinois", page 975, par. 1236.

Section 391-392, Title 2, Chapter 19, Code of the District of Columbia, 1930.

*Sackett v. Sackett*, 25 Mass. 309.

*Thruston v. Mustin*, 23 Fed. Cases 1176 (Fed. Cases No. 14,013; 1828).

*Parrott v. Barney*, 18 Fed. Cases 1249, (Fed. Cases No. 10773A).

**(B) Anything That Lessens the Value of the Inheritance or Next Estate Is Waste.**

*Stewart v. Wood*, 48 Ill. App. 378, 381.

*Nielsen v. Heald*, (Minn.) 186 N. W. 299.

*Nusbaum v. Shapero*, (Mich.) 228 N. W. 785.

**(C) A Mortgagee in Possession Is Liable for Waste.**

2 Whitehead, "Real Property in Illinois" page 975, par. 1236.

*McMichael v. Webster*, 57 N. J. Eq. 295; 41 Atl. 714, 716.

*Cook v. Curtis*, 131 Atl. 204, (Maine).

*Morse v. Whitcher*, 15 Atl. 217 (New Hampshire).

*Givens v. McCalmont*, 4 Watts 460 (Pennsylvania).

*Kinhead v. Peet*, 132 N. W. 1095 (Iowa).

*Toole v. Weirick*, 102 Pac. 590 (Montana).

*Smith v. Stringer*, 125 So. 226, 228 (Alabama).

*Morrison v. McLeod*, 37 N. C. 108.

*Hanson v. Derby*, 2 Vernon 392 (England).

18 *English Ruling Cases* 430.

**(D) The Statute of Gloucester Is Not Penal, But Is Applicable and Enforceable in Equity.**

*Sackett v. Sackett*, 25 Mass. 309.

*Woolverton v. Taylor*, 132 Ill. 197, 23 N. E. 1007, 1009.

*Huntington v. Attrill*, 146 U. S. 657.

*Stone v. Gardner*, 20 Ill. 304, 309.

**V.**

**Since the Time of Elizabeth, Under Statute (13 Eliz. Chapter 5; Section 4 of Chapter 59, Ill. Rev. Statutes Since 1819) Any Act "With an Intent to Hinder and Delay" Creditors, Whether Done In or Out of Court Is Void and Unenforcible Against Any Such Creditors.**

*Shapiro v. Wilgus*, 287 U. S. 348 at 354.

*Weber v. Mick*, 131 Ill. 520.

*Winn v. Shugart*, (C. C. A. 10), 112 F. (2d) 617 at 621.